

State of Texas
County of Gregg

Know All Men By These Presents:

A DECLARATION OF RESERVATIONS, RESTRICTIONS AND COVENANTS

Ray Creek Estates, Unit 3

MORMC, INC. (sometimes hereinafter called Developer) being the owner of that certain tract of land hereby named Ray Creek Estates, Unit 3, in Gregg County, Texas, and described in Exhibit A, does hereby declare that all the lots shown thereon are held and shall be conveyed subject to the reservations, restrictions, and covenants hereinafter set forth, and which run with the land and shall be binding on any subsequent owners of the lots, their heirs, executors, administrators, successors and assigns.

1. **DECLARATION:**

The provisions hereof are hereby made a part of each contract and deed in respect of any lot to the same effect as if fully set forth therein, and each such contract and deed shall be conclusively held to be executed, delivered and accepted upon and subject to the provisions and conditions herein set forth.

2. **TERM:**

All of the restrictions, conditions, and covenants set forth herein shall affect each and all lots. In the addition and shall run with such lots and shall exist and be binding upon all parties claiming under them for a period of thirty years from the date of filing hereof, after which time the same shall be automatically extended for successive periods of ten years each; unless within sixty days of the expiration date of any such period, the then record owners of a majority of the lots covered hereby shall vote to modify or discontinue the provisions hereof.

3. **ENFORCEMENT:**

If any owner of any of the Addition or any person shall violate or breach any of the Restrictions, any other owner or owners of any part of the Addition shall have the right to prosecute any proceeding at law or in equity against any such person who is violating or attempting to violate any such Restriction, and shall have the further right to use any other lawful means to prevent any such violations or breach.

4. **MORTGAGE VALIDITY:**

Violation of any part of this Declaration shall not default or render invalid the lien of any mortgage or deed of trust made in good faith for value as to any lot, or portion thereof, and the actions shall be enforceable against any portion thereof acquired by any person through foreclosure or by deed in lieu of foreclosure.

5. **RESTRICTIONS:**

5.1 **RESIDENTIAL USE, PLANS, AND SPECIFICATIONS.** All of said property shall be occupied and used for single family residential purposes only. There shall not be erected upon any one lot or tract, as designated by the plat of said Addition, more than one residence, one separate garage, and two out buildings. Said premises shall be used for private residence purposes only, and shall

not be used for the purposes of selling intoxicating liquors or illegal substances, and no business will be permitted on the premises. The storing or warehousing of a stock of goods or material , whether in the premises or on the residence property or its associated structures will not be permitted. All residences must have an attached garage of sufficient size to store two automobiles. Garages may front on the street. No modifications of an existing residence shall be allowed as to eliminate the garage without the construction of a new garage on a concrete foundation.

5.2. TRAILERS. No recreational vehicles, boats, trailers, tractor/trailer rigs, tents, temporary structures, or other similar structures or vehicles may be erected, parked, or stored on any part of said premises. Recreational vehicles, motor homes, all terrain vehicles, travel trailers, and boats may be stored or parked on the premise if garaged or fenced. No tent, recreational vehicle, motor home, travel trailer or similar structure shall be used as a temporary or permanent residence. Prefab and modular homes shall not be placed on the premises.

5.3. MATERIALS. All building or structures erected or maintained on any lot in this subdivision must have the exterior completed within 180 days after ground breaking. A minimum of ninety percent (90%) of all construction materials must be new. All residences and attached garages shall have sufficient outside wall coverings of at-least 60% masonry or masonry equivalent.

5.4. DETACHED STRUCTURES AND STORAGE SHEDS. No more than two detached structures, exclusive of a detached garage, shall be erected on any lot or tract. No structure such as shacks, sheds, outbuildings or accessing structures shall be used on or placed on any lot that will be visible from the street or that will interfere with or restrict the enjoyment of or view from any other property owners lot .

5.5. FENCING. No fence shall be permitted to extend nearer to any street than the front of a residence. Privacy fencing of any type shall not be a height greater than eight feet. No chain links fencing is permitted.

5.6 ANIMALS. No family may keep, permanently, on the premises or within any improvement situated thereon more than two dogs and two cats except when females have their young. No farm animals, livestock, or exotic animals shall be permitted.

5.7 SIGNS:

No signs of any kind shall be displayed to the public view on any lot except:

- a. one sign of not more than five (5) square feet, advertising the property for sale or rent;
- b. signs used by a Builder to advertise the property during construction and sales period,
- c. signs of such shape, size and location as the Developer deems necessary for security control or to advertise the project.

5.8 SPORTS EQUIPMENT. No basketball goal or other permanent sports equipment shall be placed facing the street or in the front yard or side yard, unless within 5 feet of house.

5.9 SQUARE FOOT MINIMUMS. All single family residences shall have a minimum of 1000 square feet of heated and cooled living space.

5.10 DRAINAGE. It is intended that Ray Creek Estates, Unit 3, be developed in an orderly manner such that each such lot owner shall absorb its share of drainage responsibility with respect to the surface water running across, from or to the Addition as a whole. To the extent any lot should be developed in a manner which disproportionately diverts surface water onto another lot or is otherwise developed so as to not absorb its proportionate share of responsibility for the Addition surface water drainage, then the Controlling Party shall be entitled to require the lot owner of any such lot to rectify such situation.

5.11 SUBSEQUENT CONTROLLING PARTY When the powers and duties of the Developer cease on December 31, 2013 or sooner if seventy-five (75%) of all lots, including any platted, replatted, subdivided lots have been sold by Developer, the owners of the lots constituting fifty-one percent (51%) in majority vote may form a Homeowners Association or Architectural Control Committee to enforce the Protective Covenants. The Controlling Party may modify or amend these covenants to provide for security or any other restrictions to promote the maintenance and well being of the addition. Any such modification or amendment shall require a majority vote of eighty percent (80%) of the lot owners.

(a) Formation of Homeowners Association

Any Homeowners Association formed pursuant to this section shall be operated as a non-profit corporation under the laws of the State of Texas. The articles of incorporation shall provide for the collection and use of assessments, which such assessments shall include maintenance assessments, which shall be set forth therein for the purposes of promoting the recreation, health, safety and welfare of the owners, residents and tenants of the Property as the association in its discretion may deem appropriate.

The Association shall act through a three to five member Board of Directors, which shall manage the affairs of the Association.

(b) Covenants for Assessments

The Board of Directors may levy maintenance assessments which may include, but not be limited to, landscaping of both public and private lands adjacent to the Property, and shall be used by the association, and based on a per square foot of land basis. Each year or otherwise from time to time, the Board of directors may determine and certify the amount of assessment consistent with other comparable residential developments.

(c) Liens and Further Powers

The Assessments shall each constitute and be secured by a separate and valid and subsisting lien, which shall exist upon each lot for the benefit of the Association.

The Association shall further modify these Protective Covenants to provide for or clarify the powers of the Association for the purposes set forth herein.

Nothing in these declarations shall be construed to require the formation of a Homeowners Association.

6. DEVELOPER RIGHTS

Subject to the approval of any and all appropriate government agencies having jurisdiction, Developer hereby reserves the right, so long as Developer is Controlling Party to subdivide or re-subdivide the plat or re-plat, and/or execute further covenants, restrictions and amendments thereto, changes, easements and liens on all or any part of the property. It is acknowledged that the Property may be developed in phases. Developer is specifically authorized and reserves the right to plat or re-plat and to undertake the development, if any which occurs with respect to all phases.

Subject to the approval of any and all appropriate government agencies having jurisdiction, Developer hereby reserves the right, so long as the Developer is Controlling Party to annex additional adjacent property and ready same for development. Any such annexation shall have the effect of imposing these Protective Covenants against such adjacent property.

Developer interpretation of the meaning and application of the provision thereof shall be final and binding on all interested parties at any time in question.

Developer may at any time appoint a committee of one or more persons to exercise any or all of the discretionary rights and powers reserved herein to Developer.

Developer may assign to any person or corporation any or all rights, powers, reservations, easements and privileges herein reserved by and to Developer and any such assignee shall have the same right to so assign.

EXECUTED this the 30th day of October, 2008.


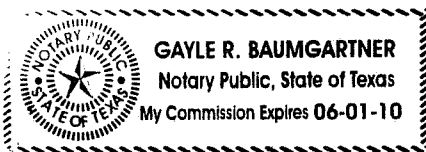
MORMC, INC.



BY: David B. McCall
President

STATE OF TEXAS
COUNTY OF COLLIN

This instrument was acknowledged before me on the 30th day of October, 2008,
by David B. McCall, President, **Mormc, Inc.**



Notary Public in and for
The State of Texas

After recording, return to:

Mormc, Inc.
Attn: Delwin Morton
777 E. 15th Street, # 202
Plano, TX 75074